

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Karen P. Hewitt***

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For Immediate Release

NEWS RELEASE SUMMARY - March 6, 2008

United States Attorney Karen P. Hewitt announced today the unsealing of three indictments and one criminal complaint charging drug trafficking violations against twelve defendants, including a pharmacist, two pharmacy technicians, and a former pharmacy employee. The indictments and the criminal complaint allege the illegal diversion and distribution of pharmaceuticals, specifically, hydrocodone bitartrate and oxycodone. The charging documents allege that the pharmaceuticals were illegally distributed from three San Diego pharmacies, Galloway Pharmacy, located at 2995 National Avenue; White Cross Pharmacy, located at 4074 Fairmont Avenue; and Park Boulevard Pharmacy, located 3904 Park Boulevard.

According to the Drug Enforcement Administration (“DEA”), hydrocodone and oxycodone are controlled substances that may be used lawfully with a physician’s prescription for the treatment of moderate to severe pain. Pharmacists are licensed to sell hydrocodone and oxycodone to persons with legitimate medical prescriptions. According to United States Attorney Hewitt, “It is a federal crime for those who work at a pharmacy to illegally distribute or ‘divert’ controlled substances, such as hydrocodone and oxycodone, to individuals who do not possess legitimate prescriptions for these powerful medications.”

Hydrocodone, sold under the brand names of Vicodin and Lorcet, among others, is the most frequently prescribed opiate in the United States, with more than 131 million prescriptions for hydrocodone-containing products dispensed in 2006. Hydrocodone diversion has been escalating in recent years, and its abuse is associated with tolerance, dependence, and addiction. Pure hydrocodone and forms containing more than 15 mg per dosage unit are classified as Schedule II controlled substances. Those containing less than or equal to 15 mg per dosage unit in combination with acetaminophen or another non-controlled drug are called hydrocodone compounds and are Schedule III controlled substances.

Oxycodone, sold under the brand names OxyContin, Percocet, and Percodan, among others, is a narcotic analgesic medication used legitimately to manage moderate to severe pain, especially over an extended period of time. Oxycodone abuse has been a continuing problem in the United States since the early 1960s. Oxycodone is abused for its euphoric effects. As with most opiates, oxycodone abuse may lead to dependence and tolerance. Acute overdose of oxycodone can produce severe respiratory depression, skeletal muscle flaccidity, cold and clammy skin, reduction in blood pressure and heart rate, coma, respiratory arrest, and death. Oxycodone is a Schedule II controlled substance both as a single agent and in combination with other products such as acetaminophen, ibuprofen, or aspirin.

According to the federal indictments unsealed today, Jesus Macias and Jose Jesus Peruch Saenz used their positions as pharmacy technicians at Galloway Pharmacy to order and obtain over 90,000 tablets of hydrocodone and over 1,600 tablets of oxycodone for illegal distribution by others, including Juan Ernesto Macias, Jr., Isabel Quistian, III, Raymond Andrew Dizon, Karl Delon Murrah, Mark Allen Kountz, Michael Shaun Tracy, Joel Joshua Banning, and Maggie Maria Sieben. Youssef Habhab, a former employee of White Cross Pharmacy, is alleged to have illegally distributed 5,448 tablets of hydrocodone during the month of June 2007.

In a criminal complaint also unsealed today in United States District Court for the Southern District of California, the United States alleges that on February 29, 2008, in a parking lot in San Diego, Ahmad Hnaino illegally distributed 6,000 hydrocodone tablets and 477 oxycodone tablets to a person without a

lawful medical prescription. Hnaino is the Pharmacist-in-Charge at White Cross Pharmacy and is licensed to distribute pharmaceuticals to individuals with valid medical prescriptions.

Early this morning, federal agents executed search warrants at Galloway Pharmacy, White Cross Pharmacy, Park Boulevard Pharmacy, and seven other locations in connection with the arrests of the defendants. All twelve defendants were arrested in San Diego County and are expected to be arraigned on March 7, 2008.

In addition, the DEA announced that today it served immediate suspension orders on both Galloway Pharmacy and White Cross Pharmacy. The suspension orders prohibit Galloway Pharmacy and White Cross Pharmacy from continuing to possess, order, or dispense controlled substances, such as hydrocodone and oxycodone. The DEA also served notice of an order to show cause on Park Boulevard Pharmacy, requiring it to demonstrate why it should be allowed to continue to possess, order and dispense controlled substances. According to the DEA, in 2007, Galloway Pharmacy, a small neighborhood pharmacy, purchased almost 1,000,000 pills, ranking it 34th out of the approximately 6,100 pharmacies in California for the number of hydrocodone pills purchased. Park Boulevard Pharmacy, also a small neighborhood pharmacy, ranked 136th out of the approximately 6,100 California pharmacies for the number of oxycodone pills purchased in 2007.

An administrative hearing on the DEA suspension orders and the order to show cause will take place on May 5, 2008, at the DEA headquarters in Arlington, Virginia. At that time, Galloway Pharmacy and White Cross Pharmacy may contest whether the suspension orders should be lifted that immediately preclude them from possessing, ordering or dispensing controlled substances and whether their certificates of registration should be reinstated. At the same time, Park Boulevard Pharmacy may respond to the DEA order to show cause about whether it should be allowed to continue to possess, order and dispense controlled substances.

The charges are the result of a long-term investigation by the Drug Enforcement Administration and Federal Bureau of Investigation. United States Attorney Hewitt praised the Organized Crime Drug Enforcement Task Force (OCDETF) for the coordinated team effort in the culmination of this investigation.

The OCDETF program was created to consolidate and utilize all law enforcement resources in this country's battle against major drug trafficking.

Criminal Complaint: Magistrate Case No. 06MJ0667

DEFENDANT

Ahmad H. Hnaino

SUMMARY OF CHARGES

Title 21, United States Code, Section 841(a)(1) - Distribution of Hydrocodone Bitartrate (a Schedule III Controlled Substance); Title 21, United States Code, Section 841(a)(1) - Distribution of Oxycodone (a Schedule II Controlled Substance)

MAXIMUM PENALTIES

Oxycodone (Schedule II) - 21 U.S.C., Section 841(b)(1)(C)

- (1) Custody - 20 years
- (2) Fine \$1,000,000
- (3) Supervised Release - at least 2 years and not more than 5 years

Hydrocodone Bitartrate (Schedule III) 21 U.S.C., Section 841(b)(1)(D)

- (1) Custody - 5 years
- (2) Fine - \$250,000
- (3) Supervised Release - at least 2 years and not more than 5 years

Indictment #1: Criminal Case No. 08CR0404BEN

DEFENDANT

Youssef Mustapha Habhab

SUMMARY OF CHARGES

Title 21, United States Code, Section 841(a)(1) - Distribution of Hydrocodone Bitartrate (a Schedule III Controlled Substance)

MAXIMUM PENALTIES

21 U.S.C., Section 841(b)(1)(D)

- (1) Custody - 5 years
- (2) Fine - \$250,000
- (3) Supervised Release - at least 2 years and not more than 3 years

Indictment #2: Criminal Case No. 08CR0509BEN

DEFENDANTS

Jesus Macias aka Jessie
Juan Ernesto Macias, Jr. aka Johnny
Jose Jesus Perch Saenz, aka G Unit, aka George
Isabel Quistian, III

SUMMARY OF CHARGES

Title 21, United States Code, Sections 846 and 841(a)(1) - Conspiracy to Distribution of Oxycodone and Hydrocodone Bitartrate;
Title 21, United States Code, Section 841(a)(1) - Distribution of Oxycodone and Bitartrate;
Title 21, United States Code, Section 841(a)(1) - Possession With Intent to Distribute Oxycodone and Hydrocodone Bitartrate;
Title 18, United States Code, Section 2 - Aiding an Abetting

MAXIMUM PENALTIES

Oxycodone (Schedule II) - 21 U.S.C., Section 841(b)(1)(C)

- (1) Custody - 20 years
- (2) Fine \$1,000,000
- (3) Supervised Release - at least 2 years and not more than 5 years

Hydrocodone Bitartrate (Schedule III) 21 U.S.C., Section 841(b)(1)(D)

- (1) Custody - 5 years
- (2) Fine - \$250,000
- (3) Supervised Release - at least 2 years and not more than 5 years

Indictment #3: Criminal Case No. 08CR0511BEN

Ramond Andrew Dizon
Karl Deleon Murrah
Jose Jesus Peruch Saenz, aka G Unit, aka George
Mark Alan Kountz
Michael Shaun Tracy
Joel Joshua Banning
Maggie Maria Siegen

SUMMARY OF CHARGES

Title 21, United States Code, Sections 846 and 841(a)(1) - Conspiracy to Distribution of Oxycodone and Hydrocodone Bitartrate;
Title 21, United States Code, Sections 846 and 841(a)(1) - Conspiracy to Distribute Cocaine;
Title 21, United States Code, Section 841(a)(1) - Possession With Intent to Distribute Cocaine;
Title 21, United States Code, Section 841(a)(1) - Distribution of MDMA (Ecstasy);
Title 18, United States Code, Section 2 - Aiding and Abetting

MAXIMUM PENALTIES

Cocaine (Schedule II) - 21 U.S.C., Section 841(b)(1)(B)(ii)

- (1) Custody - 5 years minimum mandatory and 40 years maximum
with prior felony drug conviction- 10 years minimum mandatory and life
- (2) Fine - \$2,000,000 and with prior \$4,000,000
- (3) Supervised Release - at least 4 years and with prior at least 8 years

MDMA (Schedule I) - 21 U.S.C., Section 841(b)(1)(C)

- (1) Custody - 20 years and with prior 30 years
- (2) Fine - \$1,000,000 and with prior \$2,000,000
- (3) Supervised Release - at least 3 years and not more than 5 years

Oxycodone (Schedule II) - 21 U.S.C., Section 841(b)(1)(C)

- (1) Custody - 20 years and with prior 30 years
- (2) Fine \$1,000,000 and with prior \$2,000,000
- (3) Supervised Release - at least 3 years and not more than 5 years

Hydrocodone Bitartrate (Schedule III) - 21 U.S.C., Section 841(b)(1)(D)

- (1) Custody - 5 years
- (2) Fine \$250,000
- (3) Supervised Release - at least 2 years and not more than 5 years

AGENCIES

Drug Enforcement Administration
Federal Bureau of Investigation
Internal Revenue Service - Criminal Investigation
Immigration and Customs Enforcement
Chula Vista Police Department
San Diego Police Department

An indictment or complaint itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.